

Russian Oil Giant Rosneft to Slash Spending by 30%

By [The Moscow Times](#)

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The head of Rosneft said in an interview published Friday that the state-owned oil giant will cut its capital expenditure in 2015 by some 30 percent as Russia reels from low oil prices and Western sanctions.

Igor Sechin told British newspaper The Independent that sanctions on Russia were having "severe consequences" and criticized restrictions imposed by the European Union and U.S. on Rosneft as "absolutely illegal and illegitimate."

A halving in the oil price since June highs of \$115 a barrel and international tensions over Ukraine have placed Rosneft under pressure and the company has struggled to cope with a debt burden estimated to be about \$60 billion.

Sechin, a close ally of President Vladimir Putin, also denied to The Independent that Rosneft was looking to acquire Russia's second largest oil company, privately owned LUKoil.

"In crisis there is always a good opportunity for mergers and acquisitions, but we are not looking at LUKoil," he said.

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86